

## Message Text

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PAGE 01 PARIS 37453 231720Z

ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 SSO-00 NSCE-00 INRE-00

USIE-00 AID-05 CIAE-00 COME-00 FRB-03 INR-07

NSAE-00 TRSE-00 XMB-02 OPIC-03 SP-02 LAB-04

SIL-01 OMB-01 SS-15 STR-05 CEA-01 IO-13 NEA-10

/093 W

-----004410 231722Z /44

O 231713Z DEC 77

FM AMEMBASSY PARIS

TO SECSTATE WASHDC IMMEDIATE 3538

C O N F I D E N T I A L PARIS 37453

STATE PASS EB FOR MEISSNER

PASS TREASURY FOR PELIKAN

E.O. 11652: GDS

TAGS: EFIN, FR

SUBJECT: PARIS CLUB

REF: PARIS 36818

WE HAVE HAD FREQUENT OCCASION IN RECENT MONTHS TO WORK CLOSELY WITH THE THREE FRENCH OFFICIALS WHO HAVE THE LEAD FOR FRANCE ON DEBT ISSUES (PEBEREAU, PFAUWADEL AND CHEYVIALLE). FROM THESE CONTACTS, MOST RECENTLY IN THE CONTEXT OF THE PAKISTAN AID CONSORTIUM AND THE ZAIRE DEBT RESCHEDULING, SEVERAL POINTS HAVE BECOME INCREASINGLY CLEAR:

-- THE PARIS CLUB MECHANISM IS WORKING FAR BETTER THAN UNDER ITS PREVIOUS CHAIRMAN, DUE LARGELY TO THE HELPFUL ATTITUDE AND VIRTUOSO PERFORMANCE OF CHAIRMAN PEBEREAU.

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-- OUR OVERALL BILATERAL WORKING RELATIONSHIP WITH FRANCE ON DEBT QUESTIONS HAS ALSO IMPROVED MARKEDLY, PARTICULARLY WITH THE REPLACEMENT OF NEBOT BY PEBEREAU.

-- THE ABOVE-MENTIONED FRENCH FINANCE MINISTRY OFFICIALS AND THEIR SUPERIORS CLEARLY PREFER THE CREDITOR CLUB MECHANISM TO IBRD CONSORTIA OR OTHER

FORMAL INTERNATIONAL MECHANISMS AS THE LOCALE FOR  
DEBT RESCHEDULING.

-- THESE SAME OFFICIALS SEEM VERY OPEN TO IDEAS FOR  
STRENGTHENING THE CREDITOR CLUB MECHANISM. THEY  
ARE SENSITIVE TO THE NEED TO MAINTAIN AND ENHANCE ITS  
CREDIBILITY AMONG LDC'S IN VIEW OF THE INCLINATION  
OF MANY TO SEEK DEBT RELIEF IN OTHER FORUMS. ALTHOUGH  
THEY COULD PROBABLY CALL UPON ADDITIONAL FRENCH  
RESOURCES AND PERSONNEL IF NEEDED, THEY ARE ANXIOUS  
TO PRESERVE THE INFORMALITY, FLEXIBILITY AND AD  
HOC APPROACH WHICH CURRENTLY PREVAILS IN THE PARIS  
CLUB.

-- GIVEN THE FREQUENCY WITH WHICH TALENTED FINANCE  
MINISTRY OFFICIALS ARE GENERALLY REASSIGNED, PLUS  
THE DEPARTURE OF DE LAROSIERE AND OTHER TOP PERSONNEL  
CHANGES LIKELY TO OCCUR AFTER MARCH, THE CHANCES OF  
A LESS FAVORABLE CONFIGURATION WITHIN A FEW MONTHS  
ARE CONSIDERABLE.

ASSUMING THAT IT REMAINS A US PRIORITY TO OPPOSE  
INTERMINGLING OF ODA AND DEBT RELIEF AND TO STRESS  
THE EXCEPTIONAL AND AD HOC NATURE OF THE LATTER,  
NOW IS THE TIME TO WORK CLOSELY WITH THE FRENCH  
TOWARDS THIS OBJECTIVE.  
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ACTION RECOMMENDED: 1) THAT THE PAKISTANI DEBT  
RESCHEDULING REQUEST BE USED AS AN OCCASION TO  
SUBSTITUTE THE PARIS CLUB FOR AN IBRD-CHAired  
CONSORTIUM MECHANISM. 2) THAT WE BEGIN A  
THOROUGH DISCUSSION WITH THE FRENCH AS TO THE POSSIBLE  
WAYS OF STRENGTHENING THE CREDITOR CLUB  
MECHANISM IN GENERAL AND ADDING TO ITS CREDIBILITY  
AMONG THE LDC'S.  
HARTMAN

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## Message Attributes

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**Disposition Date:** 22 May 2009  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
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22 May 2009  
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